

Financial Statements

Ozanam Family Shelter Corporation

June 30, 2019 and 2018

OZANAM FAMILY SHELTER CORPORATION

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400 Benteo Wes Ct.
Evansville, Indiana 47715-4060
(812) 477-2244
FAX (812) 471-9303

www.umbach.com



Partners
Michael S. Haynes, CPA, ABV, CVA
Warren J. Ingram, CPA

Principal
Peter M. Schutzius

INDEPENDENT AUDITORS' REPORT

Board of Directors
Ozanam Family Shelter Corporation
1100 Read Street
Evansville, Indiana 47710

We have audited the accompanying financial statements of Ozanam Family Shelter Corporation (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets-cash basis as of June 30, 2019 and 2018, and the related statements of support, revenue, and expenses-cash basis and functional expenses-cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Ozanam Family Shelter Corporation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Ozanam Family Shelter Corporation as of June 30, 2019 and 2018, and its support, revenue, and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Umlach & Associates, LLP

Certified Public Accountants
Evansville, Indiana
November 13, 2019

OZANAM FAMILY SHELTER CORPORATION
Statements of Assets, Liabilities, and Net Assets - Cash Basis
At June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents:		
Without restrictions	\$ 78,735	\$ 84,659
With donor restrictions	42	9,631
	78,777	94,290
Property and Equipment	1,200,525	1,173,928
Less accumulated depreciation	(859,881)	(827,789)
	340,644	346,139
Total Assets	\$ 419,421	\$ 440,429
Liabilities and Net Assets		
Current Liabilities		
Payroll tax withholding payable	\$ 3,869	\$ 00
Net Assets		
Without restrictions:		
Undesignated	374,943	391,246
Designated - operating reserves	40,567	39,552
	415,510	430,798
With donor restrictions	42	9,631
	415,552	440,429
Total Liabilities and Net Assets	\$ 419,421	\$ 440,429

See notes to financial statements

OZANAM FAMILY SHELTER CORPORATION
Statements of Support, Revenue, and Expenses - Cash Basis
For the Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total
Operating Support and Revenue						
Support:						
Contributions	\$ 170,833	\$ 00	\$ 170,833	\$ 114,438	\$ 00	\$ 114,438
Government grants and contracts	102,669	00	102,669	99,829	00	99,829
Special events	21,880	00	21,880	15,500	00	15,500
Grants - other	61,400	00	61,400	109,369	9,631	119,000
	356,782	00	356,782	339,136	9,631	348,767
Revenue:						
Interest income	15	00	15	18	00	18
Realized loss on disposal of assets	(4,345)	00	(4,345)	00	00	00
Miscellaneous income	260	00	260	1,056	00	1,056
	352,712	00	352,712	340,210	9,631	349,841
Net assets released from restrictions						
Satisfaction of program restrictions	9,589	(9,589)	00	44,268	(44,268)	00
	362,301	(9,589)	352,712	384,478	(34,637)	349,841
Operating Expenses						
Program services	315,949	00	315,949	307,940	00	307,940
Management and general	56,809	00	56,809	56,040	00	56,040
Fundraising	4,831	00	4,831	10,831	00	10,831
	377,589	00	377,589	374,811	00	374,811
Change in Net Assets	(15,288)	(9,589)	(24,877)	9,667	(34,637)	(24,970)
Net Assets - Beginning of Year	430,798	9,631	440,429	421,131	44,268	465,399
Net Assets - End of Year	\$ 415,510	\$ 42	\$ 415,552	\$ 430,798	\$ 9,631	\$ 440,429

See notes to the financial statements

OZANAM FAMILY SHELTER CORPORATION
Statements of Functional Expenses - Cash Basis
For the Years Ended June 30, 2019 and 2018

	2019			2018				
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Gross wages	\$ 169,828	\$ 43,481	\$ 00	\$ 213,309	\$ 159,400	\$ 42,356	\$ 00	\$ 201,756
Taxes - payroll	12,992	3,326	00	16,318	12,194	3,240	00	15,434
Utilities	28,697	3,188	00	31,885	27,134	3,015	00	30,149
Telephone	3,190	354	00	3,544	3,429	381	00	3,810
Contract case management	1,400	00	00	1,400	00	00	00	00
Insurance	9,698	1,078	00	10,776	9,327	1,036	00	10,363
Groceries	13,877	00	00	13,877	14,199	00	00	14,199
Supplies	8,217	00	00	8,217	7,399	00	00	7,399
Office supplies	5,445	00	00	5,445	4,619	00	00	4,619
Repairs and maintenance	10,061	1,118	00	11,179	11,592	1,288	00	12,880
Resident children gift expenses	1,679	00	00	1,679	1,158	00	00	1,158
Professional fees	7,425	00	00	7,425	7,400	00	00	7,400
Fundraising - mailings	00	00	4,831	4,831	00	00	10,831	10,831
Miscellaneous	5,062	00	00	5,062	7,572	00	00	7,572
Depreciation expense	38,378	4,264	00	42,642	42,517	4,724	00	47,241
Total Functional Expenses	\$ 315,949	\$ 56,809	\$ 4,831	\$ 377,589	\$ 307,940	\$ 56,040	\$ 10,831	\$ 374,811

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2019 and 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business - The Ozanam Family Shelter Corporation was incorporated in 1990 in the State of Indiana as a nonprofit organization. The Organization operates an emergency shelter for homeless families in Evansville, Indiana. The Organization's major sources of revenue consist of individual and corporate donations and governmental grants and contracts.

Basis of Reporting - The Organization prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Donated Services and Food - A number of volunteers have donated time to the Organization's program services during the year, however, these donated services are not reflected in the financial statements because the Organization is on the cash basis of accounting and because the services do not require specialized skills. The Organization also does not record food and other personal goods received as donations for program services during the year.

Financial Statement Presentation - Information regarding financial position and activities are reported in two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors – net assets without donor restrictions and net assets with donor restrictions.

Donor restricted contributions which are expended in the year received are reported as contributions without donor restrictions.

Liquidity Management – As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirement in interest bearing bank accounts.

Subsequent Events – Management has evaluated subsequent events through November 13, 2019, which was the date the financial statements were available to be issued.

Property, Equipment, and Depreciation - Property and equipment are stated at cost for purchased assets and at fair value for donated assets. Provisions for depreciation of property and equipment have been computed on the straight-line method over the estimated useful life. The cost of property and equipment purchased in excess of \$100 is capitalized.

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2019 and 2018

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued:

Use of Estimates - The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization's Federal Forms 990 and Indiana Forms NP-20 are generally no longer subject to examination by taxing authorities for years before 2016.

Functional Expense Allocation - Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time studies and building square footage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Concentrations - The Organization received approximately 25 percent and 21 percent of its operating support from federal and local governments for the years ended June 30, 2019 and 2018, respectively. In 2019 and 2018, the Organization received 11 percent and 24 percent of its operating support from a single grantor organization, respectively. A significant reduction in the level of this support may have a significant effect on the Organization's programs and activities.

Unemployment Compensation - The Organization has elected to finance unemployment compensation benefits under a reimbursement method whereby the Organization is billed for actual benefits paid. This option is available for certain governmental and not-for-profit organizations.

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value: Cash and cash equivalents—carrying amount approximates fair value because of the short maturity of those instruments.

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2019 and 2018

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment at June 30, 2019 and 2018 consisted of the following:

	2019		2018	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 96,560	\$ 00	\$ 96,560	\$ 00
Land improvements	53,119	28,873	38,783	26,128
Equipment	86,152	36,521	75,801	37,545
Furniture and fixtures	25,616	17,318	27,386	15,465
Building and improvements	939,078	777,169	935,398	748,651
	<u>\$ 1,200,525</u>	<u>\$ 859,881</u>	<u>\$ 1,173,928</u>	<u>\$ 827,789</u>

NOTE 4 – DONOR RESTRICTED CASH AND NET ASSETS:

Donor Restricted Net Assets – Donor restricted net assets at June 30, 2019 and 2018 are available for the following purposes:

	2019	2018
Resident motivation and inspiration program	\$ 00	\$ 8,557
Fire protection system and kitchen floor	00	766
Childrens fund	42	128
Eagle scout project	00	180
	<u>\$ 42</u>	<u>\$ 9,631</u>

Assets Released from Restrictions - Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2019	2018
Purpose restriction accomplished:		
Resident motivation and inspiration program	\$ 8,557	\$ 44,268
Fireprotection system and kitchen floor	766	00
Childrens fund	86	00
Eagle scout project	180	00
	<u>\$ 9,589</u>	<u>\$ 44,268</u>

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2019 and 2018

NOTE 5 - REVENUE:

The Organization receives its government grant revenue through periodic receipts of funds claimed by monthly filings with the respective funding sources. The Organization receives grant revenues from the following governmental sources:

The Evansville Department of Metropolitan Development (DMD) operates on a June 30th fiscal year. The award amounts for fiscal years ended June 30, 2019 and 2018 were \$17,600 and \$17,200, respectively. Subsequent to June 30, 2019, the grant agreement was renewed for \$15,940 for fiscal 2020.

The Indiana Housing and Community Development Authority (IHCDA) operates on a June 30th fiscal year. The award amounts for fiscal years ended June 30, 2019 and 2018 were \$48,901 and \$47,033, respectively. Subsequent to June 30, 2019, the grant agreement was renewed for \$49,617 for fiscal 2020.

The Organization also has a fee for service agreement with the Indiana Department of Education (IDOE), which operates on a September 30th fiscal year. The revenue amount is determined monthly by the number of meals the Organization serves to children multiplied by established reimbursement rates. Subsequent to June 30, 2019, the agreement was renewed for the fiscal year ending September 30, 2020.

In accordance with the cash basis method of accounting, government revenues are recognized as received by the Organization. Government revenue received for the years ended June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
DMD	\$ 14,668	\$ 17,200
IHCDA	50,770	48,114
IDOE	37,231	34,515
	<u>\$ 102,669</u>	<u>\$ 99,829</u>